

NOTE 9 – POST-EMPLOYMENT BENEFITS

In accordance with the Washington Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Act (chapter 41.26 RCW), the County provides certain healthcare benefits for retired full-time, fully compensated law enforcement officers who established membership in the LEOFF I retirement system on or before September 30, 1977. Substantially all of the County's law enforcement officers who established membership in the LEOFF I retirement system may become eligible for those benefits when they reach normal retirement age. The King County Sheriff's Office, in conjunction with the King County Disability Board, reimburses retired LEOFF I police officers for reasonable medical charges as described in the LEOFF Act. In 2006, 320 retirees received benefits under this act. As of December 31, 2006, there were 17 active officers with an average age of 59 who may become eligible for those benefits when they reach normal retirement age.

The cost of retiree healthcare benefits is recognized as an expenditure in the General Fund as claims are paid. For 2006 those costs total \$2,303 thousand, with an average cost per retiree of \$7 thousand.

In addition to the pension benefits described in Note 8, the County also offers medical, dental, and life insurance benefits to eligible retirees. Retirees who are not yet eligible for Medicare benefits may continue participation in the County's self-funded health insurance risk pool. These retirees pay a specified amount to the County each month in order to maintain County health insurance. The amount that is charged to retirees is comprised of the blended costs of retirees and active employees.

The Government Accounting Standards Board (GASB) has issued Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, effective beginning in 2007. Statement 45 will require that the long-term cost of retirement health care and other post-employment benefits be determined on an actuarial basis and reported similar to pension plans. The GASB standards will not require the pre-funding of these post-employment benefits.